



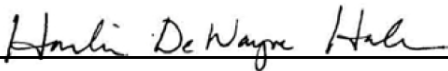
CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 19, 2021


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:

NATIONAL RIFLE ASSOCIATION
OF AMERICA,

Debtor.

§
§
§
§
§
§

Case No. 21-30085-hdh-11

Chapter 11

**AGREED ORDER GRANTING EMERGENCY JOINT
MOTION TO APPROVE ADEQUATE PROTECTION AGREEMENT**

Came on for consideration the *Emergency Joint Motion to Approve Replacement Liens as Adequate Protection of Security Interest in Personal Property* [Dkt 106] (the “**Adequate Protection Motion**”) filed by Debtors National Rifle Association of America (the “**NRA**”) and Sea Girt LLC (“**Sea Girt**”) (collectively, the “**Debtors**”), as debtors and debtors-in-possession, and Quad/Graphics, Inc. (“**Quad**” and collectively with the Debtors, the “**Parties**”). Upon consideration of, among other things, the Adequate Protection Motion and attachments thereto, the

record in this Bankruptcy Case, and any objections filed to the Adequate Protection Motion, this Court finds as follows:¹

1. This Court has jurisdiction over this matter under 28 U.S.C. §1334(b). This matter is a core proceeding under 28 U.S.C. §157(b).

2. Notice of the Adequate Protection Motion was given in accordance with applicable rules and was otherwise proper.

3. Quad has a security interest/possessory lien in the paper stock owned by the NRA in Quad's possession as of the Petition Date (the "**Prepetition Paper Stock**").

4. Under Section 363(e), Quad is entitled to adequate protection of its security interest/possessory lien in the Prepetition Paper Stock in an amount equal to the aggregate actual diminution (if any) in the value of the Prepetition Paper Stock from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code.²

5. The Parties have agreed to the adequate protection terms and conditions provided herein and such terms and conditions are permissible and appropriate under Section 361.

6. Furthermore, the adequate protection terms and conditions are reasonable and narrowly tailored to preserve, as opposed to enhance, Quad's security interest/possessory lien in the Prepetition Paper Stock.

7. Additionally, because the use of Prepetition Paper Stock to (among other things) print, publish and deliver the NRA's publications to its members is an essential part of the NRA's

¹ Capitalized terms not otherwise defined herein shall have the same meaning as ascribed or used in the Adequate Protection Motion.

² Unless otherwise indicated, (a) all statutory references shall be to the United States Bankruptcy Code, Title 11 United States Code, and (b) all rule references shall be to the Federal Rules of Bankruptcy Procedure.

member services, the adequate protection relief requested by the Parties is in the best interest of the NRA and its bankruptcy estate.

Accordingly, it is hereby

ORDERED that as adequate protection, to the extent of any actual diminution in value, if any, of the Prepetition Paper Stock, Quad shall have a first priority replacement lien in paper stock owned by the NRA. It is further

ORDERED that as additional adequate protection of its security interest/possessory lien in the Prepetition Paper Stock, Quad shall have an administrative priority expense claim under Sections 503(b) and 507(a) against the Debtors' bankruptcy estates to the extent that the replacement lien provided by this agreed order is insufficient to satisfy any actual diminution in value, if any, of the Prepetition Paper Stock. It is further

ORDERED that all parties reserve any and all rights to: (a) challenge any assertion of any diminution in value of the Prepetition Paper Stock (including the value of the Prepetition Paper Stock at the Petition Date), or any other claim for any alleged diminution in value; or (b) assert or prosecute, notwithstanding the granting of any adequate protection pursuant to this agreed order, any claims or causes of action, including without limitation avoidance actions pursuant to chapter 5 of the Bankruptcy Code or otherwise, including any applicable defenses, related to the transfer of the Prepetition Paper Stock to Quad, reserving the rights of the applicable parties regarding the issue of whether any avoidance of Quad's interest in the Prepetition Paper Stock shall or shall not constitute diminution in value of Quad's interest in the Prepetition Paper Stock. It is further

ORDERED that notwithstanding any other provision of this Agreed Order, nothing herein shall be construed to confer standing on any party to bring any action or objection regarding the matters addressed herein. It is further

ORDERED that this Court shall retain exclusive jurisdiction to determine any dispute regarding the terms or implementation of this Agreed Order.

END OF ORDER

Agreed as to Form and Content:

QUAD/GRAPHICS, INC.

/s/ Mark H. Ralston

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and

**DEBTORS NATIONAL RIFLE
ASSOCIATION OF AMERICA
AND SEA GIRT, LLC**

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and

**THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
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/s/ Laura L. Smith

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